

REMARKS**Reconsideration after Previous Reply**

We appreciate the Examiner's withdrawal of the rejections of Claims 1 - 4 under 35 U.S.C. §112, first paragraph.

Rejections under 35 U.S.C. §101

With respect to the rejections of claims 1 - 4 under 35 U.S.C. §101 for not being tied to a particular machine or apparatus, or for not transforming a particular article to a different state or thing, we ask the Examiner to consider our amendment in which we have specified:

- (a) that the auction system in which or with which the invention operates is an online auction system, which necessary is tied to web server computers and web browser computers;
- (b) that our data set is an electronically stored data set in a computer memory, which ties it to a machine (a computer memory) and transforms the state of an article (the memory);
- (c) that our counter bid is an electronic counter bid, which ties it to an online auction system, and which transforms the state of a computer memory and of a computer network to submit it to the online auction system; and
- (d) that our actions are preformed by a portion of an application server, which is defined in our disclosure as a web server hardware platform running certain software programs (e.g., operating system, application programs, etc.) (§0051).

We respectfully submit that these changes tie the claims to a particular machine, or set of machines, and indicate that the actions of the claims transform the state of one or more particular machines.

For these reasons, we respectfully request allowance of Claims 1 - 4.

New Claims

In the reply, we are adding claims 16 - 23, which are drawn to computer-readable memory and system embodiments of our invention corresponding to Claims 1 - 4. We respectfully request allowance of Claims 16 - 23.

Request for Indication of Allowable Subject Matter

We believe we have responded to all grounds of rejection, but if the Examiner disagrees, we would appreciate the opportunity to supplement our reply.

We believe the present amendment places the claims in condition for allowance. If, for any reason, it is believed that the claims are not in a condition for allowance, we respectfully request recommendations per MPEP 707.07(j) II which would place the claims in condition for allowance without need for further proceedings. We will respond promptly to any Examiner-initiated interviews or to consider any proposed examiner amendments.

Respectfully,

A handwritten signature in black ink that reads "Robert Frantz". The signature is written in a cursive, flowing style. It is flanked by two large, stylized forward slashes (/) on either side, making it look like a signature block or a decorative element.

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